

## **BILL ANALYSIS**

Senate Research Center

S.B. 1585  
By: Rodríguez  
Economic Development  
4/5/2013  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Hudspeth County is sparsely populated, with less than 6,000 residents, making for a relatively small tax base. The commissioners court is implementing an environmental development program which would help operate and maintain a county fairground, county barn, and county park that have a substantial impact on tourism and hotel activity in the area. At this time, Hudspeth County does not have a hotel occupancy tax.

S.B. 1585 amends the Tax Code to allow Hudspeth County to impose a hotel occupancy tax that may not exceed two percent of the price paid for a room in a hotel. The revenue generated will be specifically designated for the operation and maintenance of the county fairground, barn, and park.

As proposed, S.B. 1585 amends current law relating to the authority of certain counties to impose a hotel occupancy tax for the operation and maintenance of a fairground, county barn, and county park in the county.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 352.002, Tax Code, by adding Subsection (t), to authorize the commissioners court of a county that borders the Rio Grande River and has a population of less than 6,000 and an area of more than 2,500 square miles to impose a tax as provided by Subsection (a) (relating to the commissioners court of certain counties being authorized to impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use, possession, or right to the use or possession of a hotel room that costs more than \$2 a day and is ordinarily used for sleeping).

SECTION 2. Amends Section 352.003, Tax Code, by adding Subsection (t), to prohibit the tax rate in a county authorized to impose a tax under Section 352.002(t) from exceeding two percent of the price paid for a hotel room.

SECTION 3. Amends Subchapter B, Chapter 352, Tax Code, by adding Section 352.1039, as follows:

Sec. 352.1039. USE OF REVENUE: CERTAIN COUNTIES BORDERING THE RIO GRANDE RIVER. Authorizes the revenue from a tax imposed under this chapter by a county authorized to impose the tax under Section 352.002(t) to be used only to operate and maintain a fairground, county barn, and county park in the county that has a substantial impact on tourism and hotel activity.

SECTION 4. Effective date: upon passage or September 1, 2013.